

## **BILL ANALYSIS**

H.B. 2986  
By: Hill  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The limitations imposed by Section 452.352, Transportation Code, were imposed for the purpose of limiting the amount of debt Dallas Area Rapid Transit (DART) could incur without an election. Limiting the maturity of such debt to five years restricted the amount of debt DART could issue to the amount it could pay back within such a five year period.

The proposed legislation does not change the limitations on the amount of short-term debt that DART may issue. However, instead of having one five-year commercial paper program followed by another five-year program, DART would be permitted to have a commercial paper program that extends beyond five years, so long as it certifies that the amount of debt issued can be fully retired within a five year period.

H.B. 2986 would permit DART to continue its commercial paper program without the expenses associated with re-authorizing commercial paper programs every five years, including significant underwriting fees, new credit provider fees and legal expenses.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2986 amends Chapter 452 of the Texas Transportation Code to allow a commercial paper program to be renewed for an additional five years if the Chief Financial Officer certifies, based on reasonable estimates, that the maximum principal amount of the program can be repaid in full with unencumbered pledged revenues within the new five year period.

This act takes effect on September 1, 2007.

### **EFFECTIVE DATE**

September 1, 2007.